

**ADDENDUM TO:  
PRINCE EDWARD COUNTY  
2013 DEVELOPMENT CHARGE  
BACKGROUND STUDY**

**FOR PUBLIC CIRCULATION AND COMMENT**

FEBRUARY 19, 2013



Plaza Three  
101-2000 Argentia Rd.  
Mississauga, Ontario  
Canada L5N 1V9

Phone: (905) 272-3600

Fax: (905) 272-3602

e-mail: [info@watson-econ.ca](mailto:info@watson-econ.ca)

[www.watson-econ.ca](http://www.watson-econ.ca)

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# **SUMMARY OF REVISIONS MADE TO THE JANUARY 30, 2013 (AS AMENDED FEBRUARY 7, 2013) DEVELOPMENT CHARGES BACKGROUND STUDY**

## **1. BACKGROUND**

Commensurate with the provisions of the Development Charges Act, 1997, the County has undertaken a Development Charges (DC) Background Study (and subsequent amendment), has distributed the DC Background Study to the public, and has held a statutory public meeting. The following provides a summary of the key dates in the development charge by-law process:

January 30, 2013 – Release of the DC Background Study

February 7, 2013 – Release of the Addendum to the DC Background Study

February 14, 2013 – Statutory DC Public Meeting

March 5, 2013 – Anticipated passage of Development Charges By-law

The purpose of this addendum to the DC Background Study is to provide for changes to the DC Background Study, arising from public input received at the statutory Public Meeting and further staff consultation on the matter. In summary the addendum includes:

- Changes to the proposed Schedule of Charges, to differentiate the fee structure for single and semi detached dwelling units and other multiple dwelling units based on bedroom size;
- Reduction to the growth-related cost share of the Picton Bypass road project, to acknowledge benefits beyond the 20-year forecast period and greater benefit to existing development;
- Minor modifications to the County's affordable housing rebate provisions within the draft DC By-Law; and
- Recommended policy for annual funding of development charge exemptions and rebates.

These refinements are made in advance of Council's adoption of the proposed DC By-law and will form part of the DC Background Study provided for Council approval.

## **2. DISCUSSION**

This section of the Addendum Report provides an explanation for the above noted modifications. The changes to the draft DC By-Law provisions contained within the DC Background Study are as follows:

- **Schedule of Development Charges - Residential Dwelling Unit Types** – The February 7, 2013 DC Addendum Report modified the Schedule of Development Charges by consolidating the proposed charges for single and semi-detached dwelling units into one charge. In response to comments received at the public meeting respecting the negative impacts on single detached dwelling units of 2 bedrooms or less, the County is proposing to maintain the current fee structure, whereby the Schedule of Development Charges in Schedule B to the draft DC By-Law would be amended to impose separate charges for Single and Semi-Detached dwelling units with greater than two bedrooms, and those with two bedrooms or less. Moreover, the County is proposing to differentiate the Other Multiples dwelling units by the same bedroom characteristics.
- **Picton Bypass Roads Project** – The proposed roads program in the DC Background Study was reviewed with County staff subsequent to the comments received at the Public Meeting. Based on these discussions, the growth-related cost component of the Picton Bypass Roads Project. The acknowledgement that the scale of the works proposed would benefit growth beyond the 20-year forecast period and that the benefits to existing development would be greater than initially proposed accounted for the reduction. Due to the future benefiting area, 50% of the project costs (i.e. approximately \$3.0 million) were deferred as a post-period benefit for consideration in future development charges beyond the 20-year forecast period. Moreover the existing benefit costs share for the works were increased from 13% to 20%, acknowledging the greater benefits conferred upon existing developments.
- **DC Exemption and Rebate Funding Policy** – Based on discussions with County staff, the DC Background Study was amended to include a policy for funding DC exemptions and rebates annually. The annual funding policy is provided to ensure that DC revenues

foregone thought these exemptions and rebates will be funded by other non-DC sources. The policy recommends that the Treasurer of the County be directed to produce a report annually quantifying the DC revenues forgone for the year as a result of statutory and non-statutory development charge exemptions and rebates; and that the report be included in the subsequent year's budget with funds equivalent to the DC revenues foregone transferred from the general levy to the DC Reserve Fund.

- Affordable Housing DC Rebate – The Affordable Housing DC Rebate Provisions were amended based on discussions with County staff. The DC Rebate is being maintained for all qualifying affordable housing units at 30% of the charge; however the implementation of the rebate programs is more clearly defined by the addendum. The provisions of the draft bylaw provide for an annual process to determine the average affordable housing price and the maximum affordable monthly rent. Moreover the proposed DC By-law establishes the Residential Rental Standards Board for the Province of Ontario as the source for determining the maximum affordable monthly rent.

A comparison of the proposed development charges provided in the January 30, 2013 DC Background Study (as amended) and those provided in this addendum report, is provided below:

<b>Comparison of Proposed Development Charges</b>		
<b>Development Type</b>	<b>Addendum Report February 19, 2013</b>	<b>Background Study January 30, 2013 (as amended)</b>
<u>Residential (\$/dwelling unit)</u>		
Single & Semi-Detached (> 2 bedrooms)	\$5,946	\$6,856
Single & Semi-Detached (+< 2 bedrooms)	\$4,178	\$6,856
Other Multiples (> 2 bedrooms)	\$5,283	\$6,251
Other Multiples (+< 2 bedrooms)	\$4,178	\$6,251
Apartments 2 Bedrooms +	\$4,775	\$5,924
Apartments Bachelor and 1 Bedroom	\$3,294	\$4,086
<u>Non-Residential (\$/sq.ft. of GFA)</u>		
Commercial/Institutional (Industrial exempt)	\$3.62	\$4.80

The following revisions have been made to the January 30, 2013 DC Background Study and are included herein:

- Page 4-4 – textual changes to Table 4-2 Summary of Deductions for Post Period Capacity, respecting the Picton Bypass Roads Project;
- Page 4-6 – textual changes to Table 4-3 Summary of Deductions for Benefit to Existing Development, respecting the Picton Bypass Roads Project;
- Page 4-10 – textual changes to s. 4.9 Determination of the Charge;
- Page 5-1 – textual changes to s. 5.1 Development Charge Calculation;
- Pages 5-2 to 5-5 – changes to Development Charge Calculations to reflect two single and semi-detached residential dwelling unit rates (i.e. greater than 2 bedrooms; 2 bedrooms and less);
- Page 6-4 – textual changes to s. 6.2 Full or Partial Exemptions, providing for annual DC exemption and rebate funding policy;
- Page 6-6 – textual changes to s. 6.6 County-wide vs. Area-specific Charges;
- Appendix E, Pages E-12 – amended draft DC By-Law provisions for the affordable housing rebate; and
- Appendix E, Pages E-17 – amended draft DC By-Law, Schedule B Schedule of Development Charges.

### **1.3 Process for Adoption of the Development Charges By-law**

As noted earlier, these changes will be incorporated into the final Development Charges Background Study to be provided to Council prior to adoption of the proposed DC By-law on March 5, 2013. If Council is satisfied with the above changes to the DC Background Study, it is recommended that Council:

“Approve the capital project listing set out in Appendix C of the Development Charges Background Study dated January 30, 2013 (as amended), subject to further annual review during the capital budget process”;

“Approve the Development Charges Background Study dated January 30, 2013 (as amended)”;

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5.

“The Treasurer of the County be directed to produce a report annually quantifying the DC revenues forgone for the year as a result of statutory and non-statutory development charge exemptions and rebates; and that the report be included in the subsequent year’s budget with funds equivalent to the DC revenues foregone transferred from the general levy to the DC Reserve Fund”;

“Determine that no further public meeting is required on the matter”; and

“Approve the Development Charges By-law”.

The date for consideration of the By-law must be undertaken by March 11, 2013.

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## AMENDED PAGES

Table 4-2 sets out the assumptions made in this DC Background Study with respect to post-period capacity which is being provided, but is not part of this DC calculation. Growth-related service costs benefiting development beyond the respective DC forecast period are expected to be recovered from future development in subsequent years, based on Council's approval of the 2013 DC Background Study and this recommendation.

**TABLE 4-2  
SUMMARY OF DEDUCTIONS FOR POST PERIOD CAPACITY**

Service	Allocation
1. Roads <ul style="list-style-type: none"> <li>• Roads</li> </ul>	- Post-period benefit deduction for Picton Bypass works (i.e. Picton Bypass (White Chapel to Loyalist Pkwy incl. intersections), New Intersection (New Bypass Rd. and Loyalist Pkwy), and New Intersection (New Bypass Rd. and Cty Rd. 49) reflecting benefits to future growth beyond the 20-year forecast period. Approximately \$3.1 million (50%) of total project costs deferred for future growth
2. Fire <ul style="list-style-type: none"> <li>• Facilities</li> </ul>	- Post-period benefit deduction reflecting 30-year facility needs plan. Approximately \$784,600 (16%) of total project costs deferred for future growth
3. Recreation <ul style="list-style-type: none"> <li>• Facilities</li> </ul>	- Post period benefit deduction reflecting projected oversizing of pool/fitness facility beyond 10-year forecast period. Approximately \$667,000 (5%) of total project costs deferred for future growth
4. Library <ul style="list-style-type: none"> <li>• Facilities</li> </ul>	- Post period benefit deduction reflecting projected oversizing of library expansion to accommodate 20-year forecast period. Approximately \$186,300 (49%) of total project costs deferred for future growth
5. Marinas	- Post period benefit deduction reflecting committed oversizing for tip of the bay boardwalk works. Approximately \$167,400 (67%) of total project costs deferred for future growth
6. Water	- Belleville water supply capital improvements would be required beyond current agreement limits for Rossmore/Fenwood. Anticipated buildout forecast is based on current agreement servicing limits, as such a post period benefit deduction of approximately \$5.4 million (100%) of total project costs deferred for future growth

5. Where DCs have been collected in a preceding interval, the assumption in the calculation was that these works could be DC-funded over a long term period. Thus, the balance of the program (plus any additional development-related works and net of the uncommitted reserve fund balance) should be fully DC-funded in future, in accordance with the assumptions on which the original development charge calculation was based.

Table 4-3 following summarizes the general approach to determining, by service and type of infrastructure, appropriate deductions for benefit to existing development

**TABLE 4-3  
SUMMARY OF BENEFIT TO EXISTING DEVELOPMENT COST ALLOCATION**

Service	Allocation
1. Roads	<ul style="list-style-type: none"> <li>- signalization of existing intersections 50% cost deducted</li> <li>- intersection improvement, and new road projects required due to growth 15% deducted</li> <li>- Picton Bylaw road and intersection projects 20% cost deducted as benefit to existing</li> <li>- roads improved to urban standard, existing road standard cost deducted as benefit to existing</li> <li>- new intersections in development areas 5% deducted for flow-through traffic</li> <li>- total benefit to existing deduction, including existing reserve fund balance is approximately \$3.3 million or 27% of gross capital cost</li> </ul>
2. Public Works <ul style="list-style-type: none"> <li>• Facilities</li> <li>• Rolling Stock</li> </ul>	<ul style="list-style-type: none"> <li>- \$4.0 million (76%) of capital costs deducted for replacement of existing facility space</li> <li>- Approximately \$40,000 (10%) of capital cost deducted for existing reserve fund balances</li> </ul>
3. Fire <ul style="list-style-type: none"> <li>• Facilities</li> <li>• Vehicles</li> </ul>	<ul style="list-style-type: none"> <li>- Approximately \$2.9 million (61%) of capital costs deducted for replacement of existing facility space. In addition approximately \$0.4 million (9%) in capital costs deducted as an increase in level of service</li> <li>- Approximately \$0.8 million (75%) of capital costs deducted reflecting replacement cost of 50' aerial</li> </ul>
4. Parks <ul style="list-style-type: none"> <li>• Parkland Development</li> </ul>	<ul style="list-style-type: none"> <li>- Deduction for existing reserve fund balances (17%)</li> </ul>
5. Recreation <ul style="list-style-type: none"> <li>• Facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Approximately \$13.1 million (87%) of total costs deducted for replacement of existing facilities space, existing service provisions for pool services and increase in historic level of service.</li> </ul>
6. Library <ul style="list-style-type: none"> <li>• Library Facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Deduction for existing reserve fund balances (17%)</li> </ul>
7. Marinas	<ul style="list-style-type: none"> <li>- Minor deduction for existing reserve fund balances (3%)</li> </ul>

**TABLE 4-5**  
**SUMMARY OF RESIDENTIAL VS. NON-RESIDENTIAL COST ALLOCATION**

Service	Res/Non-Res Allocation	Rationale
1. Roads	77%/23%	- 20-year population : employment
2. Public Works	77%/23%	- 20-year population : employment
3. Fire	77%/23%	- 20-year population : employment
4. Outdoor Recreation	95%/5%	- service fundamentally directed toward residential users
5. Indoor Recreation	95%/5%	- service fundamentally directed toward residential users
6. Library	95%/5%	- service fundamentally directed toward residential users
7. Marinas	75%/25%	- 10-year population : employment
8. Homes for Aged	100%/0%	- service entirely directed toward residential users
9. Administration	71%/29%	- 10-year population : employment
10. Water	83%/17%	- Build-out estimated design flows
11. Wastewater	83%/17%	- Build-out estimated design flows

#### **4.9 Determination of the Charge**

Applying the above deductions and allocations to the capital costs produces the potential DC recoverable costs. These costs are applied to the forecast growth to determine the maximum development charge for residential and non-residential development

The calculation for **residential development** is generated on a per capita basis, and based upon different forms of housing types (single and semi detached – greater than 2 bedrooms, single and semi detached – of two bedrooms or less, apartments - two bedroom and larger, apartments - bachelor and one bedroom, all other multiples – greater than 2 bedrooms, and all other multiples – of two bedrooms or less). The **non-residential development charge** has been calculated based on a per square foot of gross floor area basis for all types of development (industrial, commercial and institutional).

**For the residential calculations**, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible DC cost calculations are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). This approach acknowledges that service capacity will be “freed up” by the population decline in existing units. The cost per capita is then multiplied by the average occupancy of the new units to calculate the charges in.

The resultant calculations and schedule of charges is presented in Chapter 5, with supporting detailed service costing in Appendix C.

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## 5. CALCULATION OF THE CHARGE

### 5.1 Development Charge Calculation

Table 5-1 calculates the proposed uniform development charge to be imposed on anticipated development in the municipally serviced wastewater and water areas of County over a buildout planning horizon. Table 5-2 calculates the proposed development charges to be imposed for services constructed to facilitate County-wide development over a 20-year period. Table 5-3 calculates the proposed uniform development charge to be imposed on anticipated development in the County for municipal-wide services over a 10-year planning horizon.

The calculation for residential development is generated on a per capita basis, and is based upon six forms of housing types (Single and Semi-detached greater than 2 bedrooms, Single and Semi-detached of 2 bedrooms or less, Apartments 2+ bedrooms, Apartments bachelor and 1 bedroom, Other Multiples greater than 2 bedrooms, and Other Multiples of 2 bedrooms or less). The non-residential development charge has been calculated on a per sq.ft. of gross floor area basis for all types of non-residential development (industrial, commercial and institutional).

The DC eligible costs for each service component are provided in Appendix C for all municipal services, based on their proposed capital programs.

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible DC cost calculations set out in Appendix C are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units to calculate the charge in Tables 5-1 through 5-3.

With respect to non-residential development, the total costs in the uniform charge allocated to non-residential development (based on need for service) have been divided by the anticipated development over the planning period to calculate a cost per sq.ft. of gross floor area.

Table 5-4 summarizes calculated maximum development charge that could be imposed by County Council by development type and service. Table 5-5 provides a comparison of the calculated charges and those currently imposed by the County.

**TABLE 5-1**  
**PRINCE EDWARD COUNTY**  
**DEVELOPMENT CHARGE CALCULATION FOR URBAN SERVICED AREA**  
**(BUILDOUT FORECAST PERIOD)**

SERVICE	2013 \$ DC Eligible Cost		2013 \$ DC Eligible Cost	
	Residential	Non-Residential	SDU (>2 bed)	per ft <sup>2</sup>
1. <u>Wastewater Services</u>	\$	\$	\$	\$
1.1 Wastewater	23,454,641	4,803,963	5,999	2.91
<b>TOTAL</b>	<b>\$23,454,641</b>	<b>\$4,803,963</b>	<b>\$5,999</b>	<b>\$2.91</b>
<b>DC ELIGIBLE CAPITAL COST</b>	<b>\$23,454,641</b>	<b>\$4,803,963</b>		
Build out Gross Population / GFA Growth (ft <sup>2</sup> .)	10,517	1,650,200		
Cost Per Capita / Non-Residential GFA (ft <sup>2</sup> .)	\$2,230.12	\$2.91		
<u>By Residential Unit Type</u>	<u>p.p.u</u>			
Single and Semi-Detached Dwelling (> 2 bedrooms)	2.69	\$5,999		
Single and Semi-Detached Dwelling (= <2 bedrooms)	1.89	\$4,215		
Apartments - 2 Bedrooms +	2.16	\$4,817		
Apartments - Bachelor and 1 Bedroom	1.49	\$3,323		
Other Multiples (> 2 bedrooms)	2.39	\$5,330		
Other Multiples (= <2 bedrooms)	1.89	\$4,215		

SERVICE	2013 \$ DC Eligible Cost		2013 \$ DC Eligible Cost	
	Residential	Non-Residential	SDU (>2 bed)	per ft <sup>2</sup>
2. <u>Water Services</u>	\$	\$	\$	\$
2.1 Water	12,721,565	2,605,622	3,086	1.55
<b>TOTAL</b>	<b>\$12,721,565</b>	<b>\$2,605,622</b>	<b>\$3,086</b>	<b>\$1.55</b>
<b>DC ELIGIBLE CAPITAL COST</b>	<b>\$12,721,565</b>	<b>\$2,605,622</b>		
Build out Gross Population / GFA Growth (ft <sup>2</sup> .)	11,088	1,685,700		
Cost Per Capita / Non-Residential GFA (ft <sup>2</sup> .)	\$1,147.28	\$1.55		
<u>By Residential Unit Type</u>	<u>p.p.u</u>			
Single and Semi-Detached Dwelling (> 2 bedrooms)	2.69	\$3,086		
Single and Semi-Detached Dwelling (= <2 bedrooms)	1.89	\$2,168		
Apartments - 2 Bedrooms +	2.16	\$2,478		
Apartments - Bachelor and 1 Bedroom	1.49	\$1,709		
Other Multiples (> 2 bedrooms)	2.39	\$2,742		
Other Multiples (= <2 bedrooms)	1.89	\$2,168		

**TABLE 5-2**  
**PRINCE EDWARD COUNTY**  
**DEVELOPMENT CHARGE CALCULATION FOR COUNTY-WIDE SERVICE AREA**  
**(20-YEAR FORECAST PERIOD)**

SERVICE	2013 \$ DC Eligible Cost		2013 \$ DC Eligible Cost	
	Residential	Non-Residential	SDU (>2 bed)	per ft <sup>2</sup>
	\$	\$	\$	\$
3. <u>Services Related to Highways</u>				
3.1 Roads	4,265,127	1,255,494	2,185	1.80
3.2 Depots and Domes	986,322	290,336	505	0.42
3.3 PW Rolling Stock	139,873	41,173	72	0.06
	5,391,322	1,587,004	2,762	2.28
4. <u>Fire Protection Services</u>				
4.1 Fire Facilities	419,987	123,629	215	0.18
4.2 Fire Vehicles	309,032	90,968	158	0.13
4.3 Small Equipment and Gear	0	0	0	0.00
	729,020	214,596	373	0.31
<b>TOTAL</b>	<b>\$6,120,342</b>	<b>\$1,801,600</b>	<b>\$3,135</b>	<b>\$2.59</b>
DC ELIGIBLE CAPITAL COST	\$6,120,342	\$1,801,600		
20 Year Gross Population / GFA Growth (ft <sup>2</sup> )	5,251	696,000		
Cost Per Capita / Non-Residential GFA (ft <sup>2</sup> )	\$1,165.47	\$2.59		
<u>By Residential Unit Type</u>	<u>p.p.u</u>			
Single and Semi-Detached Dwelling (> 2 bedrooms)	2.69	\$3,135		
Single and Semi-Detached Dwelling (= <2 bedrooms)	1.89	\$2,203		
Apartments - 2 Bedrooms +	2.16	\$2,517		
Apartments - Bachelor and 1 Bedroom	1.49	\$1,737		
Other Multiples (> 2 bedrooms)	2.39	\$2,785		
Other Multiples (= <2 bedrooms)	1.89	\$2,203		

**TABLE 5-3**  
**PRINCE EDWARD COUNTY**  
**DEVELOPMENT CHARGE CALCULATION FOR COUNTY-WIDE SERVICE AREA**  
**(10-YEAR FORECAST PERIOD)**

SERVICE	2013 \$ DC Eligible Cost		2013 \$ DC Eligible Cost	
	Residential	Non-Residential	SDU (>2 bed)	per ft <sup>2</sup>
5. <u>Marinas and Boat Launches</u>	\$	\$	\$	\$
5.1 Marinas	49,755	16,823	49	0.05
6. <u>Outdoor Recreation Services</u>				
6.1 Parkland development, amenities & trails	319,326	16,807	314	0.05
7. <u>Indoor Recreation Services</u>				
7.1 Recreation facilities	1,155,951	60,840	1,138	0.17
8. <u>Library Services</u>				
8.1 Library facilities	131,812	6,937	130	0.02
8.2 Library materials	86,079	4,530	85	0.01
	217,892	11,468	215	0.03
9. <u>Administration</u>				
9.1 Studies	782,133	264,456	770	0.73
<b>TOTAL</b>	<b>\$2,525,057</b>	<b>\$370,393</b>	<b>\$2,486</b>	<b>\$1.03</b>
<b>DC ELIGIBLE CAPITAL COST</b>	<b>\$2,525,057</b>	<b>\$370,393</b>		
10 Year Gross Population / GFA Growth (ft <sup>2</sup> .)	2,733	362,500		
Cost Per Capita / Non-Residential GFA (ft <sup>2</sup> .)	\$923.98	\$1.02		
<u>By Residential Unit Type</u>	<u>p.p.u</u>			
Single and Semi-Detached Dwelling (> 2 bedrooms)	2.69	\$2,486		
Single and Semi-Detached Dwelling (= <2 bedrooms)	1.89	\$1,746		
Apartments - 2 Bedrooms +	2.16	\$1,996		
Apartments - Bachelor and 1 Bedroom	1.49	\$1,377		
Other Multiples (> 2 bedrooms)	2.39	\$2,208		
Other Multiples (= <2 bedrooms)	1.89	\$1,746		

SERVICE	2013 \$ DC Eligible Cost		2013 \$ DC Eligible Cost	
	Residential	Non-Residential	SDU (>2 bed)	per ft <sup>2</sup>
10 <u>Homes for the Aged</u>	\$	\$	\$	\$
10.1 Homes for the aged facilities	266,064	0	325	0.00
<b>TOTAL</b>	<b>\$266,064</b>	<b>\$0</b>	<b>\$325</b>	<b>\$0.00</b>
<b>DC ELIGIBLE CAPITAL COST</b>	<b>\$266,064</b>	<b>\$0</b>		
10 Year Gross Population / GFA Growth (ft <sup>2</sup> .)	2,199	362,500		
Cost Per Capita / Non-Residential GFA (ft <sup>2</sup> .)	\$120.99	\$0.00		
<u>By Residential Unit Type</u>	<u>p.p.u</u>			
Single and Semi-Detached Dwelling (> 2 bedrooms)	2.69	\$325		
Single and Semi-Detached Dwelling (= <2 bedrooms)	1.89	\$229		
Apartments - 2 Bedrooms +	2.16	\$261		
Apartments - Bachelor and 1 Bedroom	1.49	\$180		
Other Multiples (> 2 bedrooms)	2.39	\$289		
Other Multiples (= <2 bedrooms)	1.89	\$229		

**TABLE 5-4  
PRINCE EDWARD COUNTY  
DEVELOPMENT CHARGE CALCULATION FOR ALL ELIGIBLE SERVICES**

Service	RESIDENTIAL						NON-RESIDENTIAL
	Single and Semi-Detached Dwelling (> 2 bedrooms)	Single and Semi-Detached Dwelling (=<2 bedrooms)	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples (> 2 bedrooms)	Other Multiples (=<2 bedrooms)	(per ft <sup>2</sup> of Gross Floor Area)
<b>Municipal Wide Services:</b>							
Services Related to Highways	2,762	1,941	2,218	1,530	2,454	1,941	2.28
Fire Protection Services	373	262	300	207	331	262	0.31
Outdoor Recreation Services	314	221	252	174	279	221	0.05
Indoor Recreation Services	1,138	800	914	630	1,011	800	0.17
Library Services	215	151	173	119	191	151	0.03
Administration	770	541	618	427	684	541	0.73
Marinas and Boat Launches	49	34	39	27	44	34	0.05
Homes for the Aged	325	228	261	180	289	228	0.00
<b>Total Municipal Wide Services</b>	<b>5,946</b>	<b>4,178</b>	<b>4,775</b>	<b>3,294</b>	<b>5,283</b>	<b>4,178</b>	<b>3.62</b>
<b>Urban Services</b>							
Wastewater Services	5,999	4,215	4,817	3,323	5,330	4,215	2.91
Water Services	3,086	2,168	2,478	1,709	2,742	2,168	1.55
<b>Total Urban Services</b>	<b>9,085</b>	<b>6,383</b>	<b>7,295</b>	<b>5,032</b>	<b>8,072</b>	<b>6,383</b>	<b>4.46</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>5,946</b>	<b>4,178</b>	<b>4,775</b>	<b>3,294</b>	<b>5,283</b>	<b>4,178</b>	<b>3.62</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>15,031</b>	<b>10,561</b>	<b>12,070</b>	<b>8,326</b>	<b>13,355</b>	<b>10,561</b>	<b>8.08</b>

**TABLE 5-5  
PRINCE EDWARD COUNTY  
DC COMPARISON FOR SINGLE DETACHED RESIDENTIAL UNIT (<2 BEDROOMS)  
AND PER SQ.FT. OF NON-RESIDENTIAL GFA  
(CALCULATED VS. EXISTING)**

Residential (Single Detached, >2 bedroom) Comparison			Non-Residential (per ft <sup>2</sup> ) Comparison		
Service	Existing	Calculated	Service	Existing	Calculated
<b>Municipal Wide Services:</b>			<b>Municipal Wide Services:</b>		
Services Related to Highways	4,112	2,762	Services Related to Highways	2.04	2.28
Fire Protection Services	390	373	Fire Protection Services	0.12	0.31
Outdoor Recreation Services	339	314	Outdoor Recreation Services	0.02	0.05
Indoor Recreation Services	1,088	1,138	Indoor Recreation Services	0.06	0.17
Library Services	290	215	Library Services	0.02	0.03
Administration	606	770	Administration	0.28	0.73
Marinas and Boat Launches	31	49	Marinas and Boat Launches	0.01	0.05
Homes for the Aged	678	325	Homes for the Aged	-	-
<b>Total Municipal Wide Services</b>	<b>7,533</b>	<b>5,946</b>	<b>Total Municipal Wide Services</b>	<b>2.55</b>	<b>3.62</b>
<b>Area Specific Services:</b>			<b>Area Specific Services:</b>		
Wastewater Services	4,446	5,999	Wastewater Services	2.31	2.91
Water Services	6,249	3,086	Water Services	3.04	1.55
<b>Total Area Specific Services</b>	<b>10,695</b>	<b>9,085</b>	<b>Total Area Specific Services</b>	<b>5.35</b>	<b>4.46</b>
<b>Grand Total - Urban Area</b>	<b>18,228</b>	<b>15,031</b>	<b>Grand Total - Urban Area</b>	<b>7.90</b>	<b>8.08</b>

Note: existing water and wastewater charges reflect current connection charges.

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In discussion with County staff it is further recommended that the County adopt the following policy for funding statutory and non-statutory development charge exemptions and rebates.

- That the Treasurer of the County be directed to produce a report annually quantifying the DC revenues forgone for the year as a result of statutory and non-statutory development charge exemptions and rebates; and
- That the report be included in the subsequent year's budget with funds equivalent to the DC revenues foregone transferred from the general levy to the DC Reserve Fund.

### **6.3 Phasing in and Discounting the Charges**

s.s.5(1)9 of the DCA requires that rules must be developed to determine a number of things and they "...may provide for...the phasing in of development charges." Section 6, para. 2 requires that a DC by-law must set out an express statement indicating how, if at all, the rules provide for the phasing in of development charges.

The phasing in of charges is sometimes used where the new charge would involve a (significant) increase, in comparison with the existing charge, and the County wishes to cushion the impact thereof on landowners. This may be done in an effort to promote development activity, or for other reasons.

Consideration of phasing or discounting in options is normally given in the later stages of the study process, (to address the situation where a significantly increased DC is adopted by County Council). As with discretionary exemptions, phasing in the calculated charge rather than implementing the full amount, will result in a shortfall in DC revenue that must be made up through tax rates.

### **6.4 Indexing of the Charges**

s.s.5(1)9 of the DCA requires that rules must be developed to determine a number of things and they "... may also provide for the indexing of development charges based on the prescribed index" (s.s.5(1)10). Section 6, para. 2 requires that a DC by-law must set out an express statement indicating how, if at all, the rules provide for the indexing of development charges.

- 2) the gross floor area of the building demolished/converted multiplied by the current non-residential development charge in place at the time the development charge is payable.

The demolition credit is allowed only if the land was improved by occupied structures, and if the demolition permit related to the site was issued, less than 60 months prior to the issuance of a building permit. The credit can, in no case, exceed the amount of development charges that would otherwise be payable.

## **6.6 County-wide vs. Area-specific Charges**

At this time, the County imposes a uniform development charge for all services presented herein, excluding water and wastewater. Connection charges for water and wastewater services are currently imposed by the County to recover the growth-related costs of service under the authority of the *Municipal Act*. The County has elected to recovery growth-related costs of service for water and wastewater services under the *Municipal Act* due, in part, to the lack of legislative restrictions related to uncommitted excess capacity. Utilizing the connection charge regime allows the County to recover from future development the existing service capacity provided to the benefit of these developments that is ineligible for recovery under the *Development Charges Act*.

Table 5-5 illustrates the difference in approach. For water services, the calculated DC would be approximately \$3,100 per single detached residential unit greater than 2 bedrooms. This compares with the County's current connection charge for water of roughly \$6,250 per single detached unit. Under the DC regime the charge is approximately ½ that currently being charged as a connection charge. This is reflective of the restriction under the DCA to charge for the existing capacity provided at the Picton Water Treatment Plant, as well as other oversized water infrastructure.

By comparison, the wastewater DC rate is higher than the existing wastewater connection charge. This is reflective of the additional provisions for future wastewater treatment capacity to full buildout that were not identified in the previous connection charge study. It is presumed that when County proceeds with the update to the connection charge study, these additional provisions would be included in the calculations.

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- (b) in the case of a non-residential building or structure or, in the case of mixed-use building or structure, the non-residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charges under subsection 3.12, by the gross floor area that has been or will be demolished or converted to another principal use;

provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

3.14.1 (1) In this Section “Affordable Housing Unit” means any residential dwelling unit for which the purchase price is at least 25% less than the average purchase price for the same type of residential dwelling unit in the County of Prince Edward and any residential dwelling unit where the monthly rent is at or below the maximum affordable monthly rent amount established by the Residential Rental Standards Board for the Province of Ontario.

- (2) In determining the average purchase price for a residential dwelling unit in the County of Prince Edward for the purposes of subparagraph 1 above, the average purchase price for the same type of residential dwelling unit will be calculated for the calendar year next preceding the calendar year in which the completed application for the building permit for the dwelling unit in question is received and shall be determined annually on the basis of information compiled by the Quinte Real Estate Board or its successor.
- (3) In determining the maximum affordable monthly rent for a residential dwelling unit in the County of Prince Edward for the purposes of subparagraph 1 above, the maximum affordable monthly rent for the same type of residential dwelling unit will be calculated for the calendar year next preceding the calendar year in which the completed application for the building permit for the dwelling unit in question is received and shall be determined annually on the basis of information compiled by the Residential Rental Standards Board for the Province of Ontario.
- (4) The development charge payable for a residential dwelling unit that qualifies as an Affordable Housing Unit in accordance with the definition as set out in subparagraph 1

**SCHEDULE "B" TO BY-LAW NO. \_\_\_\_-2013**

**SCHEDULE OF DEVELOPMENT CHARGES**

Service	RESIDENTIAL						NON-RESIDENTIAL
	Single and Semi-Detached Dwelling (> 2 bedrooms)	Single and Semi-Detached Dwelling (= < 2 bedrooms)	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples (> 2 bedrooms)	Other Multiples (= < 2 bedrooms)	(per ft <sup>2</sup> of Gross Floor Area)
<b>Municipal Wide Services:</b>							
Services Related to Highways	2,762	1,941	2,218	1,530	2,454	1,941	2.28
Fire Protection Services	373	262	300	207	331	262	0.31
Outdoor Recreation Services	314	221	252	174	279	221	0.05
Indoor Recreation Services	1,138	800	914	630	1,011	800	0.17
Library Services	215	151	173	119	191	151	0.03
Administration	770	541	618	427	684	541	0.73
Marinas and Boat Launches	49	34	39	27	44	34	0.05
Homes for the Aged	325	228	261	180	289	228	0.00
<b>Total Municipal Wide Services</b>	<b>5,946</b>	<b>4,178</b>	<b>4,775</b>	<b>3,294</b>	<b>5,283</b>	<b>4,178</b>	<b>3.62</b>